



Steven L. Beshear  
Governor

David L. Armstrong  
Chairman

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

James Gardner  
Vice-Chairman

John W. Clay  
Commissioner

Honorable Douglas L. Beresford  
Attorney At Law  
Hogan & Hartson, L.L.P.  
555 Thirteenth Street, N.W.  
Washington, DC 20004-1109

August 22, 2008

RE: Case No. 2007-00455

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo  
Executive Director

SS/rs

Enclosure

Honorable Douglas L. Beresford  
Attorney At Law  
Hogan & Hartson, L.L.P.  
555 Thirteenth Street, N.W.  
Washington, DC 20004-1109

C William Blackburn  
Big Rivers Electric Corporation  
201 Third Street  
P. O. Box 24  
Henderson, KY 42420

David Brown  
Stites & Harbison, PLLC  
1800 Providian Center  
400 West Market Street  
Louisville, KY 40202

George F. Hobday  
Jr  
Hogan & Hartson, L.L.P.  
555 Thirteenth Street, N.W.  
Washington, DC 20004-1109

Honorable Dennis G. Howard II  
Assistant Attorney General  
Office of the Attorney General  
Utility & Rate Intervention Division  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204

Honorable John N. Hughes  
Attorney at Law  
124 West Todd Street  
Frankfort, KY 40601

Honorable Frank N. King, Jr.  
Attorney at Law  
Dorsey, King, Gray,  
Norment & Hopgood  
318 Second Street  
Henderson, KY 42420

Honorable Michael L. Kurtz  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OH 45202

Honorable Don Meade  
Attorney at Law  
Priddy, Cutler, Miller & Meade  
800 Republic Bldg.  
429 W. Muhammad Ali Blvd.  
Louisville, KY 40202

Honorable James M. Miller  
Attorney at Law  
Sullivan, Mountjoy, Stainback  
& Miller, PSC  
100 St. Ann Street  
P.O. Box 727  
Owensboro, KY 42302-0727

Gary Osborne  
President  
International Brotherhood of  
Electrical Workers - IBEW  
Local Union 101  
2911 W. Parrish Avenue  
Owensboro, KY 42301

Honorable Kendrick R. Riggs  
Attorney at Law  
Stoll Keenon Ogden, PLLC  
2000 PNC Plaza  
500 W Jefferson Street  
Louisville, KY 40202-2828

Honorable Allyson K. Sturgeon  
Attorney at Law  
E.ON U.S. Services, Inc.  
220 West Main Street  
Louisville, KY 40202

Melissa D. Yates  
Attorney  
Denton & Keuler, LLP  
555 Jefferson Street  
P. O. Box 929  
Paducah, KY 42002-0929

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATIONS OF BIG RIVERS )  
ELECTRIC CORPORATION FOR: )  
(I) APPROVAL OF WHOLESALE TARIFF )  
ADDITIONS FOR BIG RIVERS ELECTRIC )  
CORPORATION, (II) APPROVAL OF )  
TRANSACTIONS, (III) APPROVAL TO ISSUE ) CASE NO. 2007-00455  
EVIDENCES OF INDEBTEDNESS, AND )  
(IV) APPROVAL OF AMENDMENTS TO )  
CONTRACTS; AND OF E.ON U.S., LLC, )  
WESTERN KENTUCKY ENERGY CORP., )  
AND LG&E ENERGY MARKETING, INC. )  
FOR APPROVAL OF TRANSACTIONS )

O R D E R

The record in this case reflects that a telephone conference was held on June 25, 2008 and that all parties agreed to postpone the public hearing which had been scheduled for July 1, 2008. The reason for the postponement was to allow the Joint Applicants additional time to determine an appropriate course of action to respond to the financial downgrade of Ambac Assurance Corporation ("Ambac"), the entity providing credit support to an existing leveraged lease transaction of Big Rivers Electric Corporation. Almost 2 months have passed since that conference and none of the Joint Applicants has filed any information with the Commission on the status of either the Ambac issue or the consent of the City of Henderson Utility Commission d/b/a Henderson Municipal Power & Light ("Henderson") to proceed with the transactions proposed in this case.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that the Joint Applicants should file, individually or jointly, a report which addresses both the Ambac issue and the consent of Henderson with the proposed transactions. For each of these issues, the report should separately disclose in detail the actions taken over the past 2 months to resolve the issue, the current status of the issue, and the future actions needed to resolve the issue along with a timeline to complete those actions. In addition, if any new issues have arisen in the intervening period, they should also be identified and addressed.

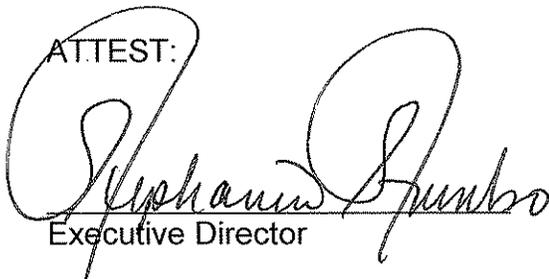
IT IS THEREFORE ORDERED that, within 7 days of the date of this Order, Joint Applicants shall file, individually or jointly, a detailed status report, as described in the findings above, on the issues of Ambac, the consent of Henderson, and any new issues.

Done at Frankfort, Kentucky, this 22nd day of August, 2008.

By the Commission

Chairman Armstrong abstains.

ATTEST:

  
Stephanie Spunbo  
Executive Director